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**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION**

**FINANCIAL REPORT**

**AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2006 AND 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/22/06

**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION**

**FINANCIAL REPORT**

**AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2006 AND 2005**

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION**

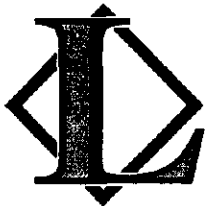
**JUNE 30, 2006**

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**LITTLE & ASSOCIATES, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The University of Louisiana at Monroe  
Indian Athletic Foundation  
(A Nonprofit Organization)

We have audited the accompanying statements of financial position of The University of Louisiana at Monroe Indian Athletic Foundation (the Foundation) as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The University of Louisiana at Monroe Indian Athletic Foundation as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1, 2 and 3 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Little & Associates, LLC*

Monroe, Louisiana  
September 26, 2006

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	2006	2005
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 76,470	\$ 6,041
Investments, at Market	81,298	-
Accounts Receivable	32,000	47,681
Contributions Receivable - Suites	14,320	66,770
Restricted Deposits		
Cash and Cash Equivalents	252,245	380,678
Investments, at Market	-	79,792
Bank Trust Funds		
Cash and Cash Equivalents	31,854	25,182
Investments, at Market	206,308	211,251
Securities	4,700	4,700
Cash Surrender Value of Life Insurance	317,821	288,382
Loan Fees (net of Accumulated Amortization of \$638 in 2006 and \$425 in 2005)	1,488	1,700
Advance Deposits on Malone Stadium Suites, net of Accumulated Amortization of \$502,771 in 2006 and \$439,924 in 2005	125,693	188,540
Property and Equipment, net of Accumulated Depreciation of \$202,904 in 2006 and \$239,224 in 2005	<u>647,240</u>	<u>621,365</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,791,437</u></b>	<b><u>\$ 1,922,082</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 63,797	\$ 45,179
Accrued Interest Payable	3,071	6,743
Deferred Revenue	-	6,000
Notes Payable	547,746	612,941
<b>Total Liabilities</b>	<u>614,614</u>	<u>670,863</u>
<b>Net Assets</b>		
Unrestricted	648,754	554,794
Temporarily Restricted, Programs	101,235	298,165
Temporarily Restricted, Scholarships	20,865	20,865
Permanently Restricted	405,969	377,395
<b>Total Net Assets</b>	<u>1,176,823</u>	<u>1,251,219</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,791,437</u></b>	<b><u>\$ 1,922,082</u></b>

The accompanying notes are an integral part of these financial statements.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

	2006				TOTAL 2006
	Unrestricted	Temporarily Restricted		Permanently Restricted Endowment Principal	
		Programs	Scholarships		
<b>SUPPORT, REVENUES AND GAINS</b>					
<b>Support</b>					
Contributions - Cash	\$ 203,066	\$ 128,345	\$ -	\$ 29,560	\$ 360,971
Contributions - Non Cash	394,652	46,230	-	-	440,882
Total Support	597,718	174,575	-	29,560	801,853
<b>Revenues and Gains</b>					
Investment Income	11,254	-	8,228	-	19,482
Other Income	370,968	117,725	-	-	488,693
Total Revenues and Gains	382,222	117,725	8,228	-	508,175
<b>Net Assets Released from Restrictions</b>					
Restrictions Satisfied by Payments	317,594	(308,380)	(9,214)	-	-
<b>Total Support, Revenues and Gains</b>	<b>1,297,534</b>	<b>(16,080)</b>	<b>(986)</b>	<b>29,560</b>	<b>1,310,028</b>
<b>EXPENSES</b>					
<b>Program Services</b>					
General Scholarships	8,195	-	-	-	8,195
University & Sports Promotion	478,362	-	-	-	478,362
Departmental Expenses	160,355	-	-	-	160,355
Staff Support	280,844	-	-	-	280,844
Depreciation and Amortization	105,384	-	-	-	105,384
Total Program Services	1,033,140	-	-	-	1,033,140
<b>Supporting Services</b>					
Interest Expense	39,402	-	-	-	39,402
Miscellaneous Expense	9,550	-	-	-	9,550
Materials & Supplies	162,430	-	-	-	162,430
Professional Services	31,140	-	-	-	31,140
Fund Raising	103,231	-	-	-	103,231
Lease House Expense	5,531	-	-	-	5,531
Bad Debts	-	-	-	-	-
Total Supporting Services	351,284	-	-	-	351,284
<b>Total Expenses</b>	<b>1,384,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,384,424</b>
<b>Change in Net Assets</b>	<b>(86,890)</b>	<b>(16,080)</b>	<b>(986)</b>	<b>29,560</b>	<b>(74,396)</b>
<b>Transfers In/(Out)</b>	<b>180,850</b>	<b>(180,850)</b>	<b>986</b>	<b>(986)</b>	<b>-</b>
<b>Net Assets-Beginning of Year</b>	<b>554,794</b>	<b>298,165</b>	<b>20,865</b>	<b>377,395</b>	<b>1,251,219</b>
<b>Net Assets-End of Year</b>	<b>\$ 648,754</b>	<b>\$ 101,235</b>	<b>\$ 20,865</b>	<b>\$ 405,969</b>	<b>\$ 1,176,823</b>

The accompanying notes are an integral part of these financial statements.

2005

Unrestricted	Temporarily Restricted		Permanently Restricted Endowment Principal	Total 2005
	Programs	Scholarships		
\$ 288,877	\$ 109,012	\$ -	33,170	\$ 431,059
311,972	-	-	-	311,972
<u>600,849</u>	<u>109,012</u>	<u>-</u>	<u>33,170</u>	<u>743,031</u>
5,246	-	6,010	-	11,256
144,974	319,701	2,930	-	467,605
<u>150,220</u>	<u>319,701</u>	<u>8,940</u>	<u>-</u>	<u>478,861</u>
462,185	(452,711)	(9,474)	-	-
<u>1,213,254</u>	<u>(23,998)</u>	<u>(534)</u>	<u>33,170</u>	<u>1,221,892</u>
9,555	-	-	-	9,555
334,425	-	-	-	334,425
163,566	-	-	-	163,566
107,985	-	-	-	107,985
105,360	-	-	-	105,360
<u>720,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,891</u>
37,737	-	-	-	37,737
14,418	-	-	-	14,418
151,274	-	-	-	151,274
14,307	-	-	-	14,307
120,453	-	-	-	120,453
1,122	-	-	-	1,122
10,198	-	-	-	10,198
<u>349,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,509</u>
<u>1,070,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,070,400</u>
142,854	(23,998)	(534)	33,170	151,492
27,119	(26,950)	(157)	(12)	-
<u>384,821</u>	<u>349,113</u>	<u>21,556</u>	<u>344,237</u>	<u>1,099,727</u>
\$ <u>554,794</u>	\$ <u>298,165</u>	\$ <u>20,865</u>	\$ <u>377,395</u>	\$ <u>1,251,219</u>

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
STATEMENTS OF CASH FLOWS**

	<b>Year Ended June 30,</b>	
	<b>2006</b>	<b>2005</b>
<b>Cash Flows From Operating Activities</b>		
Increase (Decrease) in Net Assets	\$ (74,396)	\$ 151,492
Adjustments to Reconcile Change in Net Assets to Net Cash		
<i>Provided (Used) by Operating Activities:</i>		
Depreciation and Amortization	105,596	105,360
Non Cash Contribution of Equipment	(3,500)	(12,100)
<i>Change in:</i>		
Accounts Receivable and Contributions Receivable-Suites	68,131	3,850
Cash Surrender Value of Life Insurance Policies	(29,439)	(47,706)
Accounts Payable	18,618	(6,126)
Interest Payable	(3,672)	57
Deferred Revenue	(6,000)	6,000
Total Adjustments	149,734	49,335
Net Cash Provided (Used) by Operating Activities	75,338	200,827
<b>Cash Flows From Investing Activities</b>		
(Increase) Decrease in Bank Trust Funds	4,943	2,330
Purchase of Investment in CD	(1,506)	(79,792)
Purchases of Fixed Assets, net	(64,912)	(63,575)
Net Cash Provided (Used) by Investing Activities	(61,475)	(141,037)
<b>Cash Flows From Financing Activities</b>		
Repayments of Debt	(65,195)	(47,000)
Net Cash Provided (Used) by Financing Activities	(65,195)	(47,000)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(51,332)	12,790
<b>Cash and Cash Equivalents at Beginning of Year</b>	411,901	399,111
<b>Cash and Cash Equivalents at End of Year</b>	\$ 360,569	\$ 411,901

(Continued)

The accompanying notes are an integral part of these financial statements.



**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
STATEMENTS OF CASH FLOWS (CONCLUDED)**

	<b>Year Ended June 30,</b>	
	<b>2006</b>	<b>2005</b>
<b>CASH AND CASH EQUIVALENTS INCLUDED ON STATEMENT OF FINANCIAL POSITION:</b>		
Cash in Banks	\$ 328,715	\$ 386,719
Cash in Bank Trust Funds	<u>31,854</u>	<u>25,182</u>
<b>TOTAL CASH AND CASH EQUIVALENTS AS INCLUDED ON STATEMENT OF FINANCIAL POSITION</b>	<b>\$ <u>360,569</u></b>	<b>\$ <u>411,901</u></b>
 Cash Paid for Interest	 \$ <u>43,074</u>	 \$ <u>37,680</u>

The accompanying notes are an integral part of these financial statements.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**Note 1 – Organization and Summary of Significant Accounting Policies**

The University of Louisiana at Monroe Indian Athletic Foundation (the Foundation) is a legally autonomous fund-raising foundation that raises funds for the benefit of student-athletes at the University of Louisiana at Monroe (the University) and to enhance the University's image through athletic excellence. The mission of the Foundation is to raise funds for athletic scholarships; help finance all support groups with travel, materials and supplies, and equipment; and to build, upgrade and maintain the University's athletic facilities.

The stated duties of the Foundation are to select and form an interested sports group to act as a 40-person Board of Directors and leaders of the annual fund drive; to keep and maintain up-to-date records on all donors, both present and past; to form, guide and direct various satellite clubs in north Louisiana towns so that interest in the University will be created and maintained; to create and act on special projects for extra funds; and to aid and assist with promoting and marketing the University's athletic teams.

The most visible products of the University are the athletic teams fielded by the University. Images are created by what people perceive you to be. Through local and national news media coverage, it is the desire and commitment of the Foundation to make the University the best it can be with the student-athletes leading the way.

**Basis of Presentation**

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit and Accounting Guide for Not-For-Profit Organizations*.

**Financial Statement Classification**

The net assets of the Foundation are reported in three classes as follows:

1. Unrestricted - includes all resources received without donor restrictions to be used in support of the Foundation's operations at the sole discretion of the Foundation. Resources that are temporarily restricted by the donor when given, but are relieved of the restriction during the year, are carried as unrestricted.
2. Temporarily Restricted - includes amounts that have been donated subject to donor-imposed stipulations that will or will not be met by action of the Foundation and/or the passage of time.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**Note 1 – Organization and Summary of Significant Accounting Policies (Continued)**

**Financial Statement Classification (Continued)**

3. **Permanently Restricted** - represents amounts contributed to the Foundation that are subject to restrictions imposed by the gift instruments. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on the related investments for general or specific purposes as may be expressed by the donor.

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received. Contributions that are temporarily restricted when received from the donor, but the restrictions are satisfied in the same year, are recorded as unrestricted contributions.

**Donated Services and Materials**

Non-cash donations include both materials and services. These donations are recorded at their fair market value on the date of donation. Donated services are recognized only when they create or enhance a non-financial asset, or when they are specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated. For the years ended June 30, 2006 and 2005, the Foundation received various donations of materials and/or services in the amount of \$440,882 and \$311,972 respectively, which enhanced the Foundation as a whole.

**Investment Policies**

Marketable equity securities for which a fair market value is not readily determinable are recorded at estimated amortized cost. Investments in debt securities and marketable equity securities for which fair market value is readily determinable are reported at fair value. Gains and losses on all investments are recorded as increases or decreases (as appropriate) in net assets in the accompanying Statement of Activities.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**Note 1 – Organization (Continued)**

**Income Tax Status**

The Foundation is a nonprofit corporation exempted from Federal income taxes as other than a private Foundation under Section 501(c) (3) of the Internal Revenue Code.

**Cash Equivalents**

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

**Note 2 - Property and Equipment**

Property and equipment are recorded at cost on the date of purchase or fair market value on the date of donation. Capitalization policies of the Foundation are in accordance with the threshold as prescribed by the Louisiana Legislature. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 40 years. The balances of property and equipment owned by the Foundation by major category are as follows at June 30,

	<u>2006</u>	<u>2005</u>
Van for golf team	\$ 18,333	\$ 18,333
Weight equipment	79,696	79,696
Other	42,009	34,499
Computer Equipment	3,086	11,043
Furniture and fixtures	74,797	116,046
Equipment-Baseball	8,963	12,645
Equipment-Football	40,482	40,482
Equipment-Tennis & Track	7,682	6,191

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**Note 2 - Property and Equipment (Continued)**

Equipment-Fan	1,900	1,900
Equipment-Golf	1,761	384
House	426,973	426,973
Construction in Progress	142,962	102,809
Accessories-Malone Suites	<u>1,500</u>	<u>9,588</u>
Total	850,144	860,589
Less: Accumulated depreciation	<u>(202,904)</u>	<u>(239,224)</u>
Net	<u>\$ 647,240</u>	<u>\$ 621,365</u>

Depreciation and amortization expense for the years ended June 30, 2006 and 2005, was \$105,596 and \$105,360, respectively.

**Note 3 - Bank Trusts**

The investments held at June 30, 2006 and 2005, include the following which are stated at their fair values as determined by the various banks that maintain the trust accounts. The types of investments are as follows at June 30,

	<u>2006</u>	<u>2005</u>
Cash Equivalents	\$ 31,854	\$ 25,182
Mutual Funds	<u>206,308</u>	<u>211,251</u>
<b>TOTAL BANK TRUST FUNDS</b>	<u><b>\$ 238,162</b></u>	<u><b>\$ 236,433</b></u>

Bank trust fund investment return is summarized as follows for the years ended June 30,

	<u>2006</u>	<u>2005</u>
Interest and dividend income	\$ 7,928	\$ 7,016
Net realized and unrealized gains/(losses)	<u>(4,943)</u>	<u>(2,330)</u>
<b>TOTAL</b>	<u><b>\$ 2,985</b></u>	<u><b>\$ 4,686</b></u>

**Note 4 - Insurance Program**

During fiscal 1991, the Foundation began an insurance program whereby boosters could make their contributions in the form of life insurance policies. Each contributor's life insurance is funded by the insured with the Foundation as the owner and beneficiary. Increases in cash surrender values are recorded as reductions of insurance expense.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**Note 4 - Insurance Program (Continued)**

For the year ended June 30, 2006, contributions in the form of premiums of \$20,032 were made. The cash value of these policies increased by \$29,439.

For the year ended June 30, 2005, contributions in the form of premiums of \$22,889 were made. The cash value of these policies increased by \$47,706.

**Note 5 - Funds Available for Scholarships**

Included in the Statements of Financial Position under temporarily restricted net assets are funds available for scholarships. These consist of earnings from invested endowment funds. Changes in funds available during the year ended June 30, 2006 and 2005, were as follows:

	<u>2006</u>	<u>2005</u>
Funds available - Beginning of Year	\$ 20,865	\$ 21,556
Contributions	-	-
Earnings	8,228	6,010
Other Revenue	-	2,930
Scholarships and support	(9,214)	(9,474)
Transfers	<u>986</u>	<u>(157)</u>
Funds available - End of Year	<u>\$ 20,865</u>	<u>\$ 20,865</u>

**Note 6 - Contributions Receivable-Suites**

Contributions Receivable – Suites represents the net present value of amounts committed to be paid to the Foundation over a ten-year period by beneficiaries granted rights to use the Malone Stadium Suites. The receivables are anticipated to be collected in the following time periods:

<u>Years Ending</u> <u>June 30,</u>	<u>Total</u> <u>Due</u>	<u>Estimated</u> <u>Costs</u>	<u>Net</u> <u>Contribution</u>	<u>Discounts</u>	<u>Net Present</u> <u>Value</u>
2007-2008	\$ 86,000	\$ (71,680)	\$ 14,320	\$ -	\$ 14,320

Estimated costs are tickets to football and basketball games and food for the occupants of the suites during football games. The discount represents an 8% factor to arrive at net present value.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**Note 7 - Advance Deposits on Malone Stadium Suites**

The Foundation paid the State of Louisiana for the Malone Stadium Suites as costs were incurred. In return for payment for the suites, the Foundation received the right to use the suites to further the mission of the Foundation. Since the foundation does not own the suites, the amounts paid for these rights are to be amortized over the ten-year life of the initial agreements entered into with the contributors. Amortization expense of \$62,847 is included in the accompanying financial statements for the years ending June 30, 2006 and 2005.

**Note 8 - Notes Payable and Long-term Debt**

On May 21, 2004, the Foundation obtained financing from Hibernia National Bank in the amount of \$235,000. The proceeds from the loan were used to refinance a loan agreement for construction bearing an annual interest rate of 8.00% maturing on February 11, 2008. This new loan bears interest at a rate of 4.75% per annum, which is to be paid in quarterly payments beginning August 21, 2004. The loan is payable upon demand and if no demand is made, then the loan will be repaid in annual principal reduction payments in the amount of \$47,000 starting on February 11, 2005 and ending February 11, 2009. The loan is secured by the assignment of rents and leases.

On June 20, 2003, the Foundation obtained financing from American Horizons Bank, which is now Iberia Bank. The loan, in the original amount of \$425,000, bears interest at an annual rate of prime plus 1.00% (7.00% at June 30, 2005). The interest is to be paid in quarterly installments. The proceeds from the loan were used to purchase a house and property, which also serves as collateral for the loan along with the assignment of leases and rents. As of October 31, 2005 the loan was refinanced with a principal amount of \$425,121 with Iberia Bank at 6.5% interest rate payable in monthly installments of principal and interest in the amount of \$3,707 until the maturity date of November 5, 2010. At that time a lump sum payment of \$328,336 will be due. The loan is also secured by the assignment of cash surrender value of all life insurance policies owned by the Foundation.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**Note 8 - Notes Payable and Long-term Debt (Continued)**

Debt service to maturity is as follows:

Years Ending			
June 30,	<u>Hibernia</u>	<u>Iberia</u>	<u>Total</u>
2007	\$ 47,000	\$ 18,011	\$ 65,011
2008	47,000	19,218	66,218
2009	44,247	20,505	64,752
2010	-	21,878	21,878
2011	-	329,887	329,887
Total	<u>\$ 138,247</u>	<u>\$ 409,499</u>	<u>\$ 547,746</u>

Interest expense for the years ended June 30, 2006 and 2005 was \$39,402 and \$37,737, respectively.

**Note 9 - Disclosures About Risk and Concentrations**

The Foundation's financial instruments consist primarily of cash, investments in bank trust funds, cash surrender value of life insurance policies and contributions receivable. Cash held by financial institutions is insured through the FDIC. However, the Foundation faces credit risk with the balance in its sweep account, investments held in the bank trust funds, and the cash surrender value of life insurance policies. These risks are mitigated as much as possible through the utilization of high-quality, credit-worthy financial institutions and insurance carriers. Market risk faced by the investments held in the bank trust funds is mitigated through diversification. Contributions receivable on the suites are stated at their net present value using a discount rate of 8%, which is a reasonable estimate of the fair value of these receivables. No collateral is required on contributions receivable and accounts receivable. At June 30, 2006, the Foundation's uninsured cash balances in Bank One-Chase totaled \$299,207.

**Note 10 - Related Parties - Operating Lease**

The Foundation entered into an operating lease with the University of Louisiana at Monroe to lease a house that was purchased by the Foundation during the year ended June 30, 2003, at a cost of \$424,849. Rental payments of \$3,333 are payable monthly to the Foundation throughout the lease periods from July 1, 2004 through June 30, 2005 and July 1, 2005 through June 30, 2006. The lease agreement was renewed for one additional year.



**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**Note 10 – Related Parties – Operating Lease (Continued)**

The Foundation is responsible for maintaining the property, paying all taxes and governmental charges imposed on the property and providing adequate property and liability insurance. The property shall be used and operated only in compliance with all governmental requirements.

**Note 11 – Reclassifications**

Certain accounts in the prior year's financial statements have been reclassified to conform to the current year's financial statements' presentation.

**SUPPLEMENTARY INFORMATION**

**THE UNIVERSITY OF LOUISIANA AT MONROE INDIAN ATHLETIC FOUNDATION**  
**ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

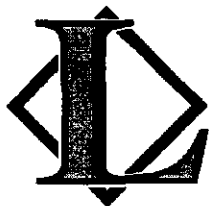
Temporarily Restricted Funds	Balance June 30, 2005	Contributions	Other Revenue	Transfers/ Reclasses From (To) Other Funds	Scholarships	Other Expenses	Balance June 30, 2006
	\$	\$	\$	\$	\$	\$	\$
Athletic Administration	-	340	-	-	-	(340)	-
Championship Ring Fund	-	21,996	-	-	-	(20,912)	1,084
Baseball	298	63,806	26,658	(5,455)	-	(77,594)	7,713
Baseball Construction	1,472	1,101	-	1,135	-	(2,062)	1,646
Baseball Inning Sponsor	-	4,750	-	(4,750)	-	-	-
Men's Basketball	7,053	9,270	-	3,703	-	(20,026)	-
Women's Basketball	3,040	7,214	529	-	-	(4,658)	6,125
Strength	203	-	-	-	-	(200)	3
Football	-	24,955	3,069	30,871	-	(58,895)	-
Football Camp	738	-	8,534	-	-	(9,041)	231
Golf	5,592	20,762	62,018	(550)	-	(75,766)	12,056
Soccer	4,485	3,865	7,394	-	-	(11,288)	4,456
Softball	7,094	6,860	3,424	(4,000)	-	(3,806)	9,572
Women's Tennis	8,361	5,336	-	-	-	(7,478)	6,219
Men's Track	6,674	4,320	6,099	-	-	(12,186)	4,907
Volleyball	190	-	-	43	-	(233)	-
Sports Medicine	8,266	-	-	(3,859)	-	(3,895)	512
Spear-It	391	-	-	-	-	-	391
Media	95,811	-	-	(95,811)	-	-	-
Fan Travel	704	-	-	(704)	-	-	-
Capital Projects	33,342	-	-	(33,342)	-	-	-
Malone Stadium Suites Licensing	114,451	-	-	(68,131)	-	-	46,320
<b>TOTAL</b>	<b>\$ 298,165</b>	<b>\$ 174,575</b>	<b>\$ 117,725</b>	<b>\$ (180,850)</b>	<b>\$ -</b>	<b>\$ (308,380)</b>	<b>\$ 101,235</b>

**THE UNIVERSITY OF LOUISIANA AT MONROE INDIAN ATHLETIC FOUNDATION**  
**ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, SCHOLARSHIPS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

Temporarily Restricted Endowment	Balance June 30, 2005 Funds Available	Contributions	Earnings	Other Revenue	Staff Support	General Scholarships	Transfers/ Endowments	Balance June 30, 2005 Funds Available
Buchanan	\$ -	\$ -	1,117	\$ -	\$ -	(1,115)	(2)	\$ -
Butler	-	-	709	-	-	(705)	(4)	-
Burroughs	1,416	-	283	-	-	(280)	(3)	1,416
Fant	-	-	411	-	-	(410)	(1)	-
Groseclose	-	-	3	-	-	(1,019)	1,016	-
Huffman	1,055	-	136	-	-	(135)	(1)	1,055
Huntsman	-	-	716	-	-	(715)	(1)	-
Malone	-	-	657	-	-	(655)	(2)	-
Martin	18,394	-	1,185	-	-	(1,185)	-	18,394
Parker	-	-	696	-	-	(695)	(1)	-
Pittington	-	-	15	-	-	-	(15)	-
Rivers	-	-	1,735	-	-	(1,735)	-	-
Shows	-	-	565	-	-	(565)	-	-
<b>TOTAL</b>	<b>\$ 20,865</b>	<b>\$ -</b>	<b>8,228</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(9,214)</b>	<b>\$ 986</b>	<b>\$ 20,865</b>

**THE UNIVERSITY OF LOUISIANA AT MONROE  
INDIAN ATHLETIC FOUNDATION  
ANALYSIS OF PERMANENTLY RESTRICTED NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2006**

Permanently Restricted Endowment	Balance June 30, 2005 Endowment Principal	ENDOWMENT PRINCIPAL		Balance June 30, 2006 Endowment Principal
		Contributions	Transfers/ Endowments	
Buchanan	\$ 53,753	\$ 4,197	\$ 2	\$ 57,952
Burroughs	13,277	-	3	13,280
Butler	36,753	-	4	36,757
Fant	21,327	-	1	21,328
Groseclose	1,016	-	(1,016)	-
Huffman	5,983	-	1	5,984
Huntsman	37,153	-	1	37,154
Malone	34,065	-	2	34,067
Martin	43,101	-	-	43,101
Parker	35,912	238	1	36,151
Pittington	764	-	15	779
Rivers	65,035	25,025	-	90,060
Shows	29,256	100	-	29,356
<b>TOTAL</b>	<b>\$ 377,395</b>	<b>\$ 29,560</b>	<b>\$ (986)</b>	<b>\$ 405,969</b>



**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**Communication of Reportable Conditions to Management**

To the Board of Directors  
The University of Louisiana at Monroe  
Indian Athletic Foundation  
(A Nonprofit Organization)

In planning and performing our audit of the financial statements of The University of Louisiana at Monroe Indian Athletic Foundation for the year ended June 30, 2006, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the organization's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. We have listed these reportable conditions as ML06-1 and ML06-2 in the following attached schedule.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in our audit of the June 30, 2006, financial statements, and this report does not affect our report on those financial statements dated September 26, 2006. We have not considered the internal control since the date of our report.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described in the attached schedule is believed to be a material weakness. This report is intended solely for the information and use of the Board of Directors, management, and others within the Foundation and is not intended to be and should not be used by anyone other than these specified parties.

*Little & Associates, LLC*  
September 26, 2006

## Schedule of Management Letter Comments

### ML06-1 Uninsured Deposits

#### Repeat Comment from Prior Year:

The Foundation maintains several accounts at Bank One – Chase. The total amount of deposits at June 30, 2006, which exceeds the FDIC limit, is \$299,207. The Foundation should consider using a different financial institution for some of its bank accounts or obtain pledged securities from Bank One – Chase. The Foundation has adopted an investment policy; whereby, all of the excess cash in the bank accounts will be invested in accordance with the investment policy. The Foundation does not expect to have cash deposits in excess of the FDIC limit in the future due to the implementation of the new investment policy.

### ML06-2 Inadequate Controls Over Accounting and Recording of Payments in Kind

#### Repeat Comment from Prior Year:

During the audit, it came to our attention that the controls over the accounting and recording of payments in kind have not been fully implemented. Payments in kind are received by various people affiliated with the Foundation. The Foundation needs to adhere to a system whereby the transaction is documented with the payee's information, the value of the payment in kind, a description of the property or service and the date of the transaction. All possible affiliates of the Foundation which may accept in-kind donations should follow the proper procedures for documenting all in-kind donations as received. All documentation should be submitted to the Director's office, where a master schedule of the payments in kind will be maintained. The Foundation should periodically inspect payments in kind items as to proper recording of value and description. Acknowledgement letters should be sent to the various vendors and supporters regarding their payments in kind and noting the value attached to it as the in-kind donations are received by the Foundation. We also noted during our audit that not all of the in-kind donations are being charged to the proper expense allocation in the general ledger. The Foundation records some of these transactions as a debit to PIK Expense and a credit to PIK Income without a breakdown as to the type of expense that the donation is associated.

**The University of Louisiana at Monroe  
Indian Athletic Foundation  
308 Stadium Drive  
Monroe, Louisiana 71209**

**November 3, 2006**

**Management's Corrective Action Plan**

**ML06-1 Uninsured Deposits**

Condition: The Foundation maintains several accounts at Chase. The total amount of deposits at June 30, 2006, which exceeds the FDIC limit, is \$299,207.

Corrective Action: We will implement the new investment policy, but it is still possible we will knowingly leave over \$100,000 in financial institutions with which we feel comfortable.

**ML06-2 No Controls Over Accounting and Recording of Payments in Kind**

Condition: The controls over the accounting and recording of payments in kind have not been fully implemented. The Foundation needs to adhere to a system whereby the transaction is documented with the payee's information, the value of the payment in kind, a description of the property or service and the date of the transaction and posted properly in the general ledger.

Corrective Action: The Foundation will continue to work to fully implement the procedures and accounting for payments in kind. The Foundation books these expenses in the PIK Expense for budgeting purposes. In future years, an end of year adjusting entry will be made to spread the expenses to the proper categories.

Responsible Party for Corrective Action: Toni Bacon, Executive Director